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-N.26

FOR RELEASE:      Wednesday August 9, 1978.

TORONTO, August 9 -- The effectiveness of government is being eroded in the struggle for more power at both the federal and provincial levels, says a study released today by the Ontario Economic Council.

Issues in Intergovernmental Relations is a discussion paper in which the contributors agree that more decentralization, or "disentanglement" of inter-locking jurisdictions is needed in areas of social and economic decision-making.

Richard Simeon, Director, Institute of Intergovernmental Relations at Queen's University, says conflicts and tensions have grown with the national aspirations of Ottawa clashing with the resource-rich provinces' demand for greater control of economic and social strategies.

"One result is that it is difficult to find any field of public policy today in which both levels of government are not deeply involved," Simeon says. "Another result is the great growth of joint decision-making in almost every area, with a proliferation of federal-provincial negotiations and hundreds of meetings taking place every year" with each government trying to protect its own territory and maximize its political gains.

"What is at stake is not only competing images of the country," Simeon says, "or even the set of institutions we now call Canadian federalism. At stake in the years to come will be the civility and tolerance which makes any country worth living in."

Another contributor, George N. Speal, Q.C., also calls for more clearly defined functions of governments and bureaucracies. "There is a confusion of powers and responsibilities, an encroachment of each level of government into areas of concern historically performed by other levels," he says. "Moreover, the secrecy associated with intergovernmental relations has made the populace indifferent."

Donald W. Stevenson, Senior Assistant Deputy Minister in the Ontario Ministry of Treasury, Economics and Intergovernmental Affairs, agrees that restructuring of government powers is needed under the existing framework of the Constitution. On the threat to confederation, Stevenson says Ontario and Ontarians generally lacked a view on confederation, assuming "that what is good for Ontario is good for the country, and vice versa, a view most emphatically not held elsewhere."

Simeon warns that our national survival is threatened by the conflicting attitudes of nation-building and province-building. Added to this, he says, are the problems of economic uncertainty and the crisis of national unity.

"The economic problem suggests the need for decisive action at the national level to modernize and diversify the Canadian economy; the political crisis almost certainly means the weakening of national authority and, in the longer run, a more decentralized country," he says.



This study was prepared under the auspices of the Ontario Economic Council, an autonomous research agency funded by the Province of Ontario. The Council acts as an independent advisor on economic issues and undertakes research and policy studies to encourage the optimum development of the human and material resources of Ontario and supports the advancement of all the sectors of the Province. The Council achieves these goals by sponsorship of research projects, publication of studies, and organization of the Outlook and Issues conferences and seminars which are open to the public.

- 30 -

NOTE: A list of persons to contact for further information, a brief sketch of the authors and a selection of quotations from the discussion paper are attached.

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Issues in Intergovernmental Relations (32 pages) is available only at  
the Ontario Government Bookstore, 880 Bay Street, Toronto, Ontario M71  
1N8. Price \$1.50. A cheque, or money order, payable to the Treasurer  
of Ontario must accompany all mail orders.

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obtained from the University of Toronto Press, 5201 Dufferin Street,  
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SELECTED QUOTATIONS:

"Nor has Quebec been the only source of strain. Other regions, too, have become increasingly concerned with trends in the federal system and have tried to enlarge their freedom of action to define for themselves basic economic and social strategies. And quite apart from these regional tensions is a series of more practical problems in the relationships between federal and provincial governments which have impaired our collective ability to deal with some of the central difficulties facing Canadian society. Now, in an atmosphere of urgency and escalating political tension, we are called upon to resolve problems which have been building for many years. The record of the immediate past is not encouraging." (Pg. 3)

"Fundamentally, Canadians have not been able to agree on constitutional patriation and amendment, or on substantive changes, because they have not been able to agree on what kind of a country they want. Canada as a country has always been tentative and problematic, balanced between regional tensions and foreign influences, so that our politics has been dominated by the preoccupation with national unity and by questions of institutions and structure. Other problems have been neglected and our ability to find solutions to them hampered." (Pg. 4)

"It is hard to account for this dramatic shift. In part it seems due to failures of the federal government itself. The nation-centred view seemed to many French Canadians to mean in reality nothing more than English Canadian dominance. To westerners and Maritimers it meant the continuing dominance of central Canada. More generally, federal economic and social policies seemed unable to remove the disparities between rich and poor, or to bridge the diverging economic interests of different regions. Federal political institutions also seemed to fail; the



parliamentary system was unable to accommodate the interests of all regions. The party system, potentially the most important integrating force, seemed to break down as both major parties were unable to develop strength in all regions, leading to the virtual freezing out of the Liberals in the West and of the Conservatives in Quebec. The bureaucracy, technically competent, was often grossly insensitive to regional needs and to the delicacies of federalism." (Pg. 6)

"What we have seen is thus not so much centralization or decentralization as the expansion of both levels of government. One result is that it is difficult to find any field of public policy today in which both levels of government are not deeply involved. Another result is the great growth of joint decision-making in almost every area, with a proliferation of federal-provincial negotiations and hundreds of meetings taking place each year. Often these negotiations are cooperative and harmonious, especially when the relationships are between program professionals at each level. But increasingly the issues in negotiation involve basically different goals, priorities, and development strategies and intense arguments in which each government tries to protect its own territory and maximize its political gains." (Pg. 8)

"Second, our decision-makers become preoccupied with questions of structure, with fiscal relations, constitutional change, with who does what, rather than with the concrete problems of what will be done. The institutional interests of the competing governments predominate - all carried out in an arcane language of amendment formulas and tax points whose relevance to the citizen, and to what governments actually do to, or for them, is at best unclear." (Pg. 9)

"These, therefore, are the fundamental problems which any proposals for revamping the federal system must address. First, how to reconcile the tension between province-building and nation-building; how to distinguish the areas in which there is a national interest which should prevail



from those where provincial interests should predominate. This tension pervades our whole political system, from individual citizen commitments and loyalties up to the formal mechanisms of government." (Pg. 10)

"Furthermore, it may be impossible to find any mutually acceptable new formula within the federal system. The fissures may be too deep to bridge. Quebeckers may opt for independence; English Canadians may decide that they are unwilling to make the changes necessary to persuade Quebec to remain. In that case, we shall be confronted with an even more difficult series of choices in an infinitely more difficult political situation." (Pg. 15)

"I suggest that it would be national folly to commence overhauling our constitution completely, starting from the beginning with a new document. Our speaker has indicated that we cannot even agree to bring the constitution home. We are unable to agree how to find a formula satisfactory to all the provinces under the federal government, or how to amend the constitution. How can we imagine we could agree on what goes into the constitution? Moreover, problems of unemployment, inflation, and the faltering dollar are preoccupying Canadians." (Pg. 17)

"The great debate over our constitution, and the concern expressed, comes from a people heavily burdened by three tiers of government each competing for favour from the same electorate. There is a confusion of powers and responsibilities, an encroachment of each level of government into areas of concern historically performed by other levels. Moreover, the secrecy associated with intergovernmental relations has made the populace indifferent. The people lack an understanding of government, because all levels get into the same act, each trying to take credit when service is delivered successfully and blaming the others when a failure occurs." (Pg. 18)



"I think there may be an emerging Ontario view on the confederation crisis. I hope so, because it befits the provinces now to make much more of a contribution to the debate, given the current concerns about federal government initiatives. But caution is needed, too. Professor Desmond Morton of the Faculty of History of the University of Toronto recently said that "what unites us in Canada is a range of limited Canadas, viewed by people from various regions of the country -- except for Ontarians who with an enraging arrogance always assume that they can speak for all of Canada." We have had a General Motors syndrome in Ontario. Many Ontarians assume that what is good for Ontario is good for the country, and vice versa, a view most emphatically not held elsewhere." (Pg. 21)

"All this goes to show that Ontarians have not got the regional identity felt by most other Canadians. However, at least one contribution has been made to the debate by Ontario as Richard Simeon and George Speal mentioned -- the concept of disentanglement - which Ontario has been pushing in federal-provincial conferences for two or three years. It is a particularly constructive point during this time of general fiscal constraint and lack of credibility in governments." (Pg. 22)

"Nevertheless, we should avoid thinking solely in terms of static structures, of what powers go to one level of government or another, of what structure we create in Ottawa to better represent the regional points-of-view within the country in central policy-making, but consider as well the dynamics of the process. I think a review could be made of second chambers elsewhere, such as the one in West Germany at the present time which was intended to improve on all earlier models and very closely parallels the one Professor Simeon outlined, or the one in Switzerland. What is significant about them is the way in which they channel regional outlooks into central policy-making and the way in which they channel central policy-making into a direct concern for regional outlooks." (Pg. 32)